COMING OF AGE

The private sector has at times regarded community-based nonprofit organizations with suspicion. Nonprofits have been characterized as inexperienced, unsophisticated and inadequately funded to meet the task of multifamily development and management. In the June 1995 issue, for instance, we covered a report about financial troubles at tax credit properties managed by nonprofits in Chicago.

But smart, savvy nonprofits are creating successful housing in many parts of the country. "Community-based nonprofits got involved in tenant organizing and were dragged kicking and screaming into development," said Joe Restuccia, executive director of Clinton Housing Development Company, Inc., a 22-year-old nonprofit in New York City. "The grass-roots organizers of the 1970s have come of age."

In May, Clinton opened a single-room occupancy (SRO) project for the elderly and mentally ill homeless on Manhattan's West Side—a stellar example of the difficult and essential projects that nonprofits seem best suited to do. Using city funding and Low Income Housing Tax Credits syndicated through the Enterprise Foundation, Clinton took three crumbling buildings and turned them into a new community (see story, page 40).

Qualifying residents was a property management nightmare. On-site manager Kathy Prioleau organized a weekly open house for applicants referred by the city's Department of Homeless Services, churches, shelters and others. Prioleau created a painstaking "flow chart" for the selection committee, showing how each applicant met all of the requirements of the city and finance sources.

For example, to qualify as homeless, people are required by the city to have spent at least 16 days in a shelter. A man in his 70s, who was being evicted from a former residence, had to spend two weeks in a shelter to qualify for the new SRO. "We lost track of him when he left one shelter to go to another," Prioleau said. "When he finally showed up, we told him we had been waiting for him, and handed him his key. He started crying."

Clinton marshalled all available resources to furnish the SRO. It hired a furniture coordinator with film and TV experience to find older but high-quality pieces. It hit up nearly 1000 garment center manufacturers to donate sheets and comforters. It persuaded neighbors to get involved; a local church even bussed in a group of teens from Kentucky to spend a week refinishing furniture. Clinton approached artists living in its other projects and pestered them until they agreed to donate original works to decorate common areas. "It was a lot more complicated to do it that way, but the product is so superior—the most jaded city bureaucrats are amazed when they walk in here," said Restuccia.

So are the residents. When I toured the SRO in June, I met Charles Alvin, a former advertising executive who looked at home after a fresh smoke. "Everything was just so when I moved in—right down to an extension cord in the closet," said Alvin. "I was delighted."